

Derbyshire Welfare Rights Service

Universal Credit - what's happening now and in the future

Universal Credit is a means-tested benefit which will eventually replace Income Support, Income-Based Jobseeker's Allowance, Income-Related Employment and Support Allowance, Working Tax Credit, Child Tax Credit and Housing Benefit - DWP refers to these as 'legacy benefits'.

The UC 'full service' (see below) has now been introduced throughout Derbyshire.

The full service of UC affects all new means-tested benefit claims for people of working age and will apply to all sorts of claimants, even those who are working.

Now the full service is in place, it is not usually possible to make a new claim for any of the benefits that UC replaces. However, some severely disabled claimants cannot claim UC and can make new claims for 'legacy benefits' – see below.

Existing benefit claims may not change until between November 2020 and September 2024, but your claim could change to UC before then if you have a change of circumstances which means that you need to make a new claim for means-tested benefit. See below for what this means.

Between November 2020 and September 2024, the DWP aims to move all existing legacy benefit claims over to Universal Credit under a scheme called 'managed migration' or 'Move To UC'.

This leaflet explains what is scheduled to happen in Derbyshire between now and 2024.

NB - The dates above are very likely to change as there will be inevitable delays owing to the Coronavirus outbreak in 2020. This information will be updated as soon as DWP announces any changed dates.

For more information about UC and how it works, see our leaflet – 'Universal Credit, a short guide'.

There are still some working-age people who qualify for legacy benefits:

- If you are disabled and you receive (or recently received) a 'severe disability premium' in your legacy benefits – you cannot claim UC or be moved to UC at the moment. This changes at the end of January 2021; we will update this information nearer to that date.

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If you are of working age but your partner is a pensioner

- If you are making a new claim for means-tested help, you will have to claim UC as a couple and you cannot usually claim Pension Credit until both of you are of pension age. Existing claims for Pension Credit and/or Housing Benefit for people of pension age will remain unless there is a change in your circumstances which stops both benefits. Seek advice, as the rules (changed in May 2019) are complicated.

Universal Credit 'Full Service'

What is the 'Full Service'?

The UC full service will eventually replace all claims for means-tested 'legacy' benefits.

The full service applies to all types of claimant: those who are out of work, those who are ill/disabled, those in part-time work or full-time work, employees, self-employed, carers etc.

Full Service UC means that you not only make your claim online, you are also expected to manage your claim online, sending information (such as notifying changes of circumstances) to the DWP and receiving updates and decisions from them electronically instead of by telephone or post.

If you have problems getting access to or using computers, seek advice and support.

NB – Universal Credit does NOT replace any other benefits – for instance it is still possible to claim Jobseeker's Allowance or Employment and Support Allowance that you have earned through your National Insurance contributions. You may need to claim UC as a top-up benefit if your income is too low, but you are not obliged to claim UC instead of these benefits. See the information below.

What if I am already claiming 'legacy benefits'?

Your claim will not be changed over to UC straight away. Until at least November 2020 and as late as September 2024 (or later owing to the Coronavirus outbreak), you should remain on the same benefit *unless* you have a change of circumstances which means that you would need to make a new claim for a means-tested benefit.

In this situation, instead of claiming a new 'legacy' benefit, you must usually claim UC – but see below for an important exception for some disabled people. When you move to UC, all your existing 'legacy' benefits will be replaced by UC.

Once you are on UC, you will remain on UC and you cannot go back to legacy benefits unless the exception for disabled people applies to you.

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See below, however, if you are on Income-Related ESA and you challenge a decision that you are fit for work.

Examples of claims that may mean you need to make a UC full service claim

- you are on legacy benefits but you move in to a new Local Authority area and you need to make a new claim for help with your rent
- you are on Income-Related Jobseeker's Allowance but you fall ill, your JSA stops and you need to claim as sick
- your first child is born and you need to claim for means-tested help (NB Child Benefit is not replaced by UC)
- you start a job and your working hours and/or pay are too high for your claim for Income-Based JSA or Income-Related ESA to continue
- you are single but you move in with your partner
- you were part of a couple but you have separated and must make separate claims
- you are on Income Support as a lone parent and your youngest child reaches the age of 5, and you are no longer entitled to Income Support for any other reason
- you have been on Income Support as the carer for a disabled person but you cease to be their carer
- you start your first tenancy or take a new tenancy after not renting for a time, and need help with your rent

All of these are cases in which a new benefit claim would be needed

Examples of claims that do NOT require a UC full service claim

- you have a change in income which affects the amount of benefit you get, but does not stop the claim
- you already get Child Tax Credit and you become eligible for Working Tax Credit also
- you already get Working Tax Credit and you become eligible for Child Tax Credit also
- you receive legacy benefits and move home within the same local authority area – this is just a change of address, not a new claim

All of these are changes that do not take you off your existing benefit and do not require a new claim.

What if I am receiving a 'severe disability premium' in my legacy benefits?

You can't claim Universal Credit after 16/1/19 if you receive a 'severe disability premium' (SDP) as part of a claim for:

- Income Support
- Income-Based Jobseeker's Allowance
- Income-Related Employment and Support Allowance
- Housing Benefit

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This also applies if you were entitled to benefit with an SDP up to one month before you make a new claim and your old benefit award has stopped but you still satisfy the SDP rules.

This 'SDP gateway' comes to an end on 27/1/21 and existing claims may once again be subject to 'natural migration' to UC.

What is the severe disability premium?

The SDP is not a benefit in itself, but an additional amount paid in some "legacy" benefits. Income Support, Income-Based JSA, Income-Based ESA and Housing Benefit are worked out by calculating what the law says you need to live on and then comparing this to your existing income – you receive benefit if your income is too low. What the law says you need to live on can be increased where you face costs related to disability. This is the reason for the SDP.

Qualifying for the SDP

If you are single, you qualify for the SDP where:

- you receive a 'qualifying' (disability) benefit such as:
 - Attendance Allowance
 - Disability Living Allowance (at the middle or higher rate for personal care)
 - Personal Independence Payment (at the 'standard' or 'enhanced' rate for daily living)
 - Armed Forces Independence Payment
 - Constant Attendance Allowance (part of the Industrial Injuries benefits scheme)
 - Exceptionally Severe Disablement Allowance (part of the industrial injuries scheme) - or the equivalent war pension
- **and** you don't have a 'non-dependant' (a grown-up member of your family) living with you – but that person won't affect your claim if they too are disabled and on a qualifying benefit, or if they are separately liable to pay for the accommodation (they are joint tenants with you, for instance)
- **and** nobody is paid a Carer's Allowance or the 'carer element' of Universal Credit for looking after you

If you are a member of a couple, SDP is payable where all of these conditions are met:

- You both receive a qualifying benefit
- **and** you don't have a 'non-dependant' (a grown-up member of your family) living with you – but that person won't affect your claim if they too are disabled and on a qualifying benefit, or if they are separately liable to pay for the accommodation (they are joint tenants with you, for instance)
- **and** nobody is paid a Carer's Allowance or the 'carer element' of Universal Credit for looking after either of you
- **Or** one of you gets a qualifying benefit and the other is certified – or treated as certified – as severely sight-impaired or blind
- **Or** someone is paid a Carer's Allowance or the 'carer element' of Universal Credit for looking after only one of you

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How can I tell if I get an SDP in my benefit?

Any letters from the DWP which show how your benefit is made up will include a sum of £66.95 a week (one SDP) or £133.90 a week (two SDPs) as part of your benefit assessment. Next to the figures it will usually say 'because you/your partner are severely disabled'. Seek advice if you are not sure.

If you are affected by this rule it also means that you may claim legacy benefits even if you have a change in your circumstances. Seek advice.

What if I received the SDP in my benefit but was moved to Universal Credit before 16/1/19? Will I get any help if I lost money?

On 24/7/19 the DWP commenced a scheme which will pay 'transitional payments' to people who were moved to UC and lost the SDP. Transitional payments will range between £120 and £405 per month depending upon the person's circumstances, and can be paid both as an addition to current benefit and a lump sum for past periods.

Who benefits from this scheme?

People with an SDP in their claim for Income Support, Income Based jobseeker's Allowance or Income-Related Employment and Support Allowance and were moved to UC before 16/1/19.

The scheme will also apply to people who:

- have applied for PIP, the decision has taken a long time and they were entitled to backdated SDP before their UC claim started
- were not awarded SDP on their old claim through a mistake by DWP
- win a mandatory reconsideration or appeal and they were entitled to backdated SDP before their UC claim started
- accidentally claimed UC after 16/1/19 – seek advice if this applies to you as it may be possible to return to 'legacy' benefits

What if I received only Housing Benefit with an SDP?

The government has decided that the 'transitional payments' scheme will not apply to people in this situation. If the loss from the move to UC means that you have difficulty in paying your housing costs, you may be able to get a Discretionary Housing Payment from your Local Authority. Seek advice if this applies to you.

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What happens if I am on Income-Related ESA and I am found fit for work?

If you agree that you are fit for work, you will need to claim UC; if the exemption for severely disabled people applies to you, seek advice.

You can dispute the decision and ask DWP to look at the decision again- this is called 'Mandatory Reconsideration'(MR). You can appeal the decision to an independent tribunal.

If the exemption for severely disabled people applies to you, seek advice – you may be able to claim 'legacy benefits' such as Income-Based Jobseeker's Allowance while your MR goes ahead.

Otherwise, you cannot get Income-Related ESA and you will no longer be able to claim Income-Based Jobseeker's Allowance while the decision is looked at again. You will need to claim UC for help with living costs and rent.

If you claim UC, you will not be able to go back to Income-Related ESA or any other 'legacy benefit' – but a successful challenge to the ESA decision will still help with your UC claim.

However, you are not obliged to claim UC in this situation, and if you then succeed in overturning the decision at Mandatory Reconsideration or at appeal, you will go back on to Income-Related ESA. If you intend to do this, seek advice from our Helpline without delay, as it will mean going without money, or living on any other income (such as Personal Independence Payment) for what may be a very long period.

For more details, see our leaflet 'ESA – challenging a decision you are fit for work'

The UC 'two-child' rule

Under rules brought in on 6th April 2017, you will usually only be able to claim a 'child element' in UC for the first two children for whom you claim. You may still be able to claim a separate UC 'element' if the child is disabled, however.

This rule applies to all UC claims but only to children who were born on or after 6/4/17.

You may be able to get a child element for a third or subsequent child if exemptions apply – these are:

- multiple births
- step-parent caring for step-child (in some circumstances)
- adoption from local authority care
- 'non-parental' care arrangements (where formal arrangements have been made for a friend or member of family to care for a child)
- where the child is the child of a young person under the age of 16 for whom you are claiming, and you add the new child to your claim
- where a child is conceived as a result of rape or in a coercive or controlling relationship.

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It is most important to seek advice about these exemptions, as the rule is very new and you may need confidential professional support, especially regarding the last point.

Prior to 1/2/19 many larger families could not claim UC – now you can make a new claim for UC but you will only receive a child element for a third or subsequent child who was born on or after 6/4/17 if you were already receiving this money or you received it in a UC or Child Tax Credit claim within the 6 months prior to your new claim - or if exemptions apply.

What support is there to help me to manage the change-over to UC?

Support should be offered to those who need help creating a digital UC account, managing their claim online, budgeting and managing UC monthly payments. Citizens Advice runs a scheme called Help To Claim, providing support with the initial online claim, checking supporting evidence for the claim, and up to the first payment of UC.

Assistance will still be available via the Library Service and support should also remain available via the Jobcentre. NB – during the Coronavirus outbreak, face to face help will not be available

Do any of my benefits run on during the wait for my first UC payment?

There is a 5-week wait for your first UC payment. If you were receiving Housing Benefit when you claimed UC, your HB will run on for two weeks, but not for the full five weeks. If you are concerned about rent arrears, seek advice.

In some circumstances you may get HB for your rent even when getting UC for your living costs. This can happen for instance when you are homeless and in temporary accommodation, or you are in certain accommodation where care, support and supervision are provided.

From 22nd July 2020, there is also a two-week run-on of Income Support, Income-Based JSA and Income-Related ESA.

See our range of UC leaflets for what other help is available during this waiting time.

Will my claim be protected if I am worse off on UC?

If you need to make a new claim because of a change of circumstances and this means that you move to UC, at present you will receive no help if you are worse off on UC.

The government is planning 'transitional protection' for legacy benefit claimants who move to UC under the 'managed migration' scheme (see below) so that nobody will be worse off when they change benefits: this scheme is undergoing testing and will not begin fully until at least November 2020. NB this date is likely to change owing to delays caused by the Coronavirus outbreak.

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What is 'managed migration' or 'Move to UC'?

This is the name for the process of moving all remaining claims over from legacy benefits to UC.

NB the following information is based upon proposals which may change. We will update this information as soon as we know more.

On 24/7/19 rules were put in to place which commenced the testing of the managed migration scheme in a limited area. The initial 'pilot' area is in Harrogate, where 10,000 claims will be migrated to UC and the scheme will be assessed before it applies nationally.

NB - 'Managed migration' from legacy benefits to UC will NOT be automatic- you will need to make a claim.

There should be considerable publicity from the government to explain the changes: further details are not yet available.

At some point between 2020-24, claimants will then receive letters from the DWP explaining that:

- they need to make a claim for UC – this claim is online (it will be important to seek help if you cannot use a computer)
- the claim must be made within three months of receiving the letter
- legacy benefits will stop if the UC claim is not made within time and any transitional protection may be lost
- the deadline for claiming can be extended if there are good reasons to do this – it is also possible to cancel the notification to make a claim, in some circumstances.

Measures will be put in place to assist vulnerable claimants, but details of these are not known yet.

What is transitional protection – how will it work?

Transitional protection will apply if you would receive less under the UC system than under the legacy benefits system. When you claim UC under 'managed migration', the DWP will compare your entitlements under the old system and the new, and award additional benefit to make up the difference if you would have received less under UC. Transitional protection will be included until the UC payment catches up with the legacy benefit system, or it stops for another reason – see below.

People who were receiving Tax Credits and who have more than £16000 in savings may be able to claim UC for up to 12 months, as their capital over £16000 will be ignored for a maximum of 12 months.

Transitional protection will reduce as the UC award increases and may stop altogether in some situations, such as a couple splitting up, or single people becoming a couple.

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What else will cause transitional protection to come to an end?

- if you were single but you become one of a couple
- if you were part of a couple but you become single
- you are working and you have a drop in earnings (below a set level) over three months

For UC benefit rates and child elements, see our leaflet 'How Is UC Worked Out'

Other questions about the new benefit system

How do I claim Jobseeker's Allowance or Employment and Support Allowance on my National Insurance Contributions under the UC system?

You are still entitled to claim JSA or ESA that you have earned on your National Insurance contributions if you are unemployed or off work sick. These are referred to as 'new-style' JSA and ESA.

New-style ESA - telephone: 0800 328 5644 or claim online <https://www.gov.uk/employment-support-allowance/how-to-claim>

Or contact our helpline – we can provide you with a claim form or go to <https://www.gov.uk/guidance/new-style-employment-and-support-allowance#how-to-claim-new-style-esa> for a printable form.

New-style JSA – claim online <https://www.dwpe-services.direct.gov.uk/portal/page/portal/jsaol/lp>

You are not obliged to claim UC as well, and you should not be asked to claim UC instead of one of these benefits. If you also need to make a claim for help with rent or because you have not got enough money to live on, you will need to claim UC.

What happens if I am on UC but approaching pension age?

Your entitlement to UC will come to an end (unless you have a partner who is under pension age), and the DWP should contact you to offer you the chance to claim Pension Credit and other appropriate benefits including Housing Benefit.

We recommend that you seek advice from our Helpline – try to do this well in advance of reaching pension age, as it is important to claim on the correct date to avoid delays in your benefits.

Additional information can be found on our website, visit www.derbyshire.gov.uk/welfarebenefits

To keep up-to-date with benefit changes in Derbyshire go to
www.derbyshire.gov.uk/benefitnews

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**Benefits Helpline – 01629 531535 or email
welfarebenefits@derbyshire.gov.uk**

**Monday, Tuesday, Thursday, Friday
11.00am – 4.00pm**